## Introduced by Senator De León

(Coauthor: Assembly Member Atkins)

February 26, 2015

An act to add Article 19.5 (commencing with Section 8430) to Chapter 2 of Part 6 of Division 1 of Title 1 to the Education Code, relating to child care.

## LEGISLATIVE COUNSEL'S DIGEST

SB 548, as introduced, De León. Child care: family child care providers: bargaining representatives.

Existing law, the California Child Day Care Facilities Act, provides for the licensure and regulation of family day care homes by the State Department of Social Services. Existing law, the Child Care and Development Services Act, administered by the State Department of Education, requires the Superintendent of Public Instruction to administer child care and development programs that offer a full range of services for eligible children from infancy to 13 years of age, including, among others, resource and referral programs, alternative payment programs, and family child care home education networks.

This bill would authorize family child care providers, as defined, to form, join, and participate in the activities of provider organizations, as defined, and to seek the certification of a provider organization to act as the exclusive representative for family child care providers on matters related to state-funded child care programs pursuant to a petition and election process overseen by the Public Employment Relations Board or a neutral 3rd party designated by the board.

The bill would require the State Department of Social Services and the State Department of Education, with the assistance of specified state departments and agencies, and their contractors and subcontractors, to  $SB 548 \qquad \qquad -2-$ 

make specified information regarding family child care providers available to provider organizations, and would require the provider organization requesting the information to bear the costs of collecting the information, as provided.

The bill would establish the scope of representation of the certified provider organization, and would require the Governor, through the Department of Human Resources, in consultation with the Superintendent of Public Instruction and other entities, to meet and confer in good faith with the certified provider organization on all matters within that scope of representation. The bill would require the parties to jointly prepare a memorandum of understanding if agreement is reached, which would be binding on all state departments and agencies, and their contractors and subcontractors, that are involved in the administration of state-funded child care programs. The bill would authorize the parties, if, after a reasonable period of time they fail to reach agreement, to agree to submit unresolved issues to the California State Mediation and Conciliation Service for mediation or binding arbitration, and would authorize either party to declare that an impasse has been reached and request the Public Employment Relations Board to appoint a mediator or arbitrator from the service to perform mediation or binding arbitration.

The bill would authorize a certified provider organization to enter into an agreement with the state that provides that the state will require entities that make subsidy payments to providers, including the contractors or subcontractors of state agencies and departments, to deduct membership dues and other voluntary deductions from those subsidy payments. The bill would prohibit provider organizations from calling strikes. The bill would prohibit the state and provider organizations from engaging in specified prohibited behavior with each other and providers.

The bill would require an unspecified entity to perform a study of best practices for engaging families in their children's early care and education in family child care settings, as provided, and would require this entity to report to the Legislature and the Department of Finance on or before January 1, 2017, with its findings and a proposed framework of priorities in which to invest.

The bill would require a certified provider organization and the state to form a Joint Committee on Child Care Training, Education, and Quality Improvement made up of specified individuals. Among other things, the bill would require the committee to identify gaps in the -3- SB 548

training available to family child care providers and issue recommendations to improve the quality of care offered by licensed and licensed-exempt family child care providers. The bill would require the provider organization to establish a training program to carry out the recommendations of the committee.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

- (a) Quality, affordable child care is essential to prepare California's children to succeed in school and in life and to allow families to work and contribute to the state's economy with the assurance that their children are safe, well cared for, and learning.
- (b) Family child care is the child care setting of choice for many families because of its warm homelike environment, convenience and affordability. The flexibility offered by many family child care providers is particularly vital to low-wage workers who are subject to highly unpredictable work schedules, and to the many California workers who work nontraditional hours and need child care on evenings, overnights, and weekends. Close to 40 percent of licensed family child care homes offer evening, weekend, and overnight care, compared with only 2 percent of centers.
- (c) Family child care providers are small business owners who contribute significantly to the economies of their communities and the state. As businesses, family child care providers are engines for economic growth, generating 100,000 direct and indirect jobs, three billion five hundred million dollars (\$3,500,000,000) in economic output, and five hundred fifty million dollars (\$550,000,000) in tax revenues. Family child care providers also contribute to the economy by serving as a vital job support for working families.
- (d) There is a need to improve the quality of child care and to increase stability in the industry that is charged with providing safe and quality care for children in California. Turnover among child care providers is estimated at more than 30 percent per year, more than four times higher than among teachers in the public school system. Losing a caregiver leaves working parents

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scrambling to find other arrangements and disrupts children's cognitive and social development, putting them at a disadvantage when it is time for them to start school.

- (e) Experienced child care providers who care for children under California's state-funded child care program are leaving the profession because extremely low reimbursement rates and a lack of access to employment benefits mean they cannot afford to provide for their own families. The state's fragmented, disorganized system for paying child care providers under the state-funded child care program, in which more than 120 different agencies contract with the state to pay child care providers, also contributes to this turnover. Child care providers' pay is often late, reduced, or doesn't arrive at all, and there is a lack of clear authority and redress when problems arise.
- (f) The supply of quality child care in California is inadequate to meet the demand. Since 2008 the state has seen a decline of almost 26 percent in the number of licensed family child care homes. California lost over 11,000 licensed family child care providers and over 61,000 slots for children in these homes. In 2012, there was licensed child care capacity for only 25 percent of children of working parents.
- (g) In order to address one of the areas of greatest need in the state-funded child care program, to improve developmental and educational outcomes for children in poverty, and to build off the goals of the Local Control Funding Formula, additional slots for California's neediest children must be added.
- (h) Family child care providers' role in the state's child care program gives them unique insight into how quality, access, and stability could be improved for children and families. For the last several years, child care providers have worked together with the State Department of Education to make improvements to the state's requirements for timeliness of payment and communications with child care providers and families. This progress shows the value that child care provider voices can add. But it also highlights the need for child care providers to have a formal role in decisionmaking on issues that shape the child care system and the way they carry out their profession.
- (i) To promote higher quality and greater access and stability in the child care system, it is necessary to enact legislation to grant family child care providers the right to choose a representative to

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negotiate with the state over the operation of the state-funded child care program. Permitting family child care providers a formal voice will allow the state to get input from providers and to maximize its return on its investment in child care, and will allow providers to advocate to improve the quality, access, and stability of care available to California's children and families.

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- (j) The existing system for providing training to child care providers is a patchwork. Training is provided by hundreds of different entities and is challenging to access for large numbers of child care providers. Consistent with the state's focus on the improvement and expansion of workforce development and apprenticeships, a training partnership between the state and a certified provider organization will be able to draw down federal and private funding to add capacity to existing state training resources, from general education classes (GED) and English language learner (ELL) classes to providing support for child care providers who seek to obtain higher education credentials in child development. This training partnership will help build skills, knowledge, and techniques to provide higher-quality early learning for family child care providers as well as center or school-based care providers. Financial incentives, such as rate add-ons for child care providers who obtain additional training or who complete apprenticeship programs, will encourage participation, acknowledge additional skill, and help ensure that child care providers with greater training remain serving at-risk children.
- (k) Parent engagement is a crucial part of children's success in early care, in school and later in life. Family child care providers' role in the state's child care program gives them unique insight into how quality, access, and stability could be improved for children and families. Many parents choose home-based child care providers due to shared values and culture, close personal relationships, and provider flexibility with erratic work schedules. Accordingly, pursuant to Section 8439 of the Education Code, the \_\_\_\_\_ shall perform a study of best practices for culturally competent parent engagement in family child care, including in particular engagement of parents who work nontraditional hours. The study shall determine how to most effectively ensure that parents are involved with their children's development and are better able to provide learning and other developmental opportunities for their children at home in a culturally appropriate

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manner. The goal of the study will be to identify best practices that target low-income families and to propose some options for a California parent engagement program as well as identify possible funding sources for such work.

SEC. 2. Article 19.5 (commencing with Section 8430) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 19.5. Raising Child Care Quality and Accessibility Act

- 8430. This article shall be known, and may be cited, as the Raising Child Care Quality and Accessibility Act.
- 8430.5. (a) The purpose of this article is to promote quality, access, and stability in the child care system by increasing the number of child care slots available to California's neediest children; by authorizing an appropriate unit of family child care providers to choose a provider organization to act as their exclusive representative for purposes of the meet and confer process set forth in this article and the administration and enforcement of any resulting memorandum of understanding; by establishing a training partnership between the state and that exclusive representative; and by conducting a study of best practices for parent engagement in home-based early care and education. It is also the purpose of this article to promote full communication between family child care providers and the state by permitting a provider organization certified as the representative of family child care providers to meet and confer with the state regarding the state's child care system.
- (b) This article does not change family child care providers' status as independent business owners or classify family child care providers as public employees.
  - 8431. As used in this article:
- (a) "Certified provider organization" means a provider organization that is, or provider organizations that jointly are, certified by the Public Employment Relations Board as the exclusive representative of family child care providers in an appropriate unit after a proceeding under Section 8434.
- (b) "Family child care provider" or "provider" means a child care provider that participates in a state-funded child care program and is either of the following:

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(1) A family day care home provider, as described in Section 1596.78 of the Health and Safety Code, who is licensed pursuant to the requirement in Section 1596.80 of the Health and Safety Code.

- (2) An individual who meets both of the following criteria:
- (A) Provides child care in his or her own home or in the home of the child receiving care.
- (B) Is exempt from licensing requirements pursuant to Section 1596.792 of the Health and Safety Code.
- (c) "Maintenance of checkoff" means an agreement between a provider and a provider organization that the provider's authorization for the deduction of union dues or their equivalent can only be withdrawn during a designated window period.
- (d) "Provider organization" means an organization that has all of the following characteristics:
  - (1) Includes family child care providers.

- (2) Has as one of its main purposes the representation of family child care providers in their relations with public or private entities in California.
- (3) Is not an entity that contracts with the state or a county to administer or process payments for a state-funded child care program.
- (e) "Public Employment Relations Board" or "board" means the Public Employment Relations Board established pursuant to Section 3541 of the Government Code. The powers and duties of the board described in Sections 3514.5, 3520.5, and 3541.3 of the Government Code, and the respective implementing regulations, shall apply, as appropriate, to this article to the extent those procedures are not inconsistent with the procedures specified in this article. If a provision of this article is the same or substantially the same as that contained in Chapter 10 (commencing with Section 3500), Chapter 10.3 (commencing with Section 3512), or Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, it shall be interpreted and applied in accordance with the judicial interpretations of the provision in those statutes.
- (f) "State-funded child care program" means a program established pursuant to this chapter and administered by the State Department of Education, the State Department of Social Services, or another department, agency, or political subdivision of the state,

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1 including programs established subsequent to the passage of this 2 article, to subsidize early learning and care for children.

- 8431.5. The state action antitrust exemption to the application of federal and state antitrust laws is applicable to the activities of family child care providers and their representatives authorized under this article.
- 8432. Family child care providers have the right to form, join, and participate in the activities of provider organizations of their own choosing for the purpose of being represented in all matters specified in this article. Family child care providers have the right to refuse to join or participate in the activities of provider organizations. This article does not change the rights of family child care providers to represent themselves individually in their relations with the state, agencies or departments of the state, contractors of the state, parents, or others.
- 8432.5. Family child care providers are not public employees, and this article does not create an employer-employee relationship between family child care providers and the state or a public or private nonprofit entity for any purpose, including, but not limited to, eligibility for health or retirement benefits or vicarious liability in tort. This article does not alter the status of a family child care provider as a business owner, an employee of a family, or a contractor.
- 8433. This article does not alter the rights of families to select, direct, and terminate the services of family child care providers.
- 8433.5. (a) Within 10 days of receipt of a request from a provider organization, the State Department of Social Services shall make available to that provider organization information regarding family child care providers described in paragraph (1) of subdivision (b) of Section 8431, including each provider's name, home address, mailing address, telephone number, email address, and license number.
- (b) Within 30 days of receipt of a request from a provider organization, the State Department of Education, with the assistance of the State Department of Social Services and any state department or agency, or its contractor or subcontractor, in possession of the relevant information, shall collect information regarding family child care providers, including each provider's name, home address, mailing address, telephone number, email address, unique provider identification number, if applicable, and

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shall make that information available to the provider organization. The provider organization shall bear the reasonable costs of collecting the information described in this subdivision to the extent that the state is not already collecting it and is not already required by federal or state law or regulation to collect it.

- (c) Upon the request of a certified provider organization, the State Department of Social Services and the State Department of Education shall make available to that organization the information specified in subdivisions (a) and (b), updated on a monthly basis.
- (d) A provider organization under this article shall be considered a day care organization for purposes of subdivisions (b) and (c) of Section 1596.86 of the Health and Safety Code. All confidentiality requirements applicable to recipients of information pursuant to Section 1596.86 of the Health and Safety Code apply to provider organizations and shall apply also to protect the personal information of family child care providers as defined in paragraph (2) of subdivision (b) of Section 8431. Information provided pursuant to this section shall be used only for purposes of organizing and representing family child care providers.
- 8434. (a) An appropriate unit of family child care providers, as described in subdivision (e), may designate, in accordance with the provisions of this article, the provider organization, if any, that shall be its exclusive representative. The board shall certify a provider organization designated by an appropriate unit of family child care providers as the exclusive representative of those providers.
- (b) Requests for elections, challenges, and competing claims, requests for intervention, and requests for decertification shall be filed with, received by, and acted upon by the board, provided that a valid petition for a certification or decertification election is resolved by a secret ballot election among family child care providers. The board may designate a neutral third party to act on any of the requests filed with the board pursuant to this subdivision.
- (c) The provider organization that presents a petition requesting certification shall pay the reasonable costs of verifying the number of family child care providers that have designated a provider organization to act as their exclusive representative. The board, or a neutral third party designated by the board to act on a request for certification election, shall consider a document evidencing a family child care provider's support for a provider organization

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valid if it was signed by the family child care provider within two years of the date it is submitted to the board.

- (d) All provider organizations placed on the ballot shall share equally the cost of an election.
- (e) The only appropriate unit shall consist of all family child care providers in the state.
- (f) A certified provider organization shall represent each provider in the represented unit fairly with respect to matters within the scope of the certified provider organization's role as exclusive representative of the bargaining unit, without discrimination and without regard to whether the provider is a member of the provider organization.
- 8434.5. The scope of representation shall include all of the following:
- (a) The administration of laws and regulations governing licensing for providers.
  - (b) Joint labor-management committees.
  - (c) Contract grievance arbitration.
- (d) Expanded access to professional development and training opportunities for providers, including, but not limited to, through the training partnership established pursuant to Section 8439.5, and state contributions to the training partnership.
  - (e) Benefits for providers.
  - (f) Payment procedures for state-funded child care programs.
- (g) Reimbursement rates, including, but not limited to, rate add-ons for providers who complete additional training, and other economic matters.
  - (h) Expanded access to food and nutrition programs.
- (i) The deduction of membership dues and other voluntary deductions authorized by individual family child care providers, including, but not limited to, honoring maintenance of checkoff agreements, and allocation of the costs of implementing such a deduction system.
- (j) Expanded access to the state-funded child care program to families in need of subsidies.
- (k) Any changes to current practice other than those listed in subdivisions (a) to (j), inclusive, that would do any of the following:
  - (1) Improve recruitment and retention of qualified providers.
- (2) Improve the quality of the programs.

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(3) Encourage qualified providers to seek additional education and training.

- (4) Promote the health and safety of providers and the children in their care.
- 8435. (a) The Governor, through the Department of Human Resources, in consultation with the Superintendent, other state agencies that administer programs of publicly funded child care, and their contractors, as needed, shall meet and confer in good faith regarding all matters within the scope of representation with representatives of a certified provider organization and, before arriving at a determination of policy or course of action, shall consider fully the presentations made by the certified provider organization on behalf of the providers it represents.
- (b) As used in this section, "meet and confer in good faith" means that the Governor, through the Department of Human Resources, and representatives of the certified provider organization shall have the mutual obligation to meet and confer promptly upon request by either party and continue for a reasonable period of time in order to exchange freely information, opinions, and proposals. The duty to meet and confer in good faith also requires the parties to begin negotiations sufficiently in advance of the adoption of the state's final budget for the ensuing fiscal year so that there is adequate time for agreement to be reached before the adoption of the final budget and for the resolution of an impasse.
- 8435.5. (a) If agreement is reached between the Governor, through the Department of Human Resources, and the certified provider organization, they jointly shall prepare a written memorandum of understanding. Any portions of the memorandum of understanding requiring appropriation by the Legislature or statutory or regulatory revisions shall be subject to legislative approval of those appropriations or statutory or regulatory revisions.
- (b) A memorandum of understanding between the Governor, through the Department of Human Resources, and the certified provider organization is binding on all state departments and agencies that are involved in the administration of the state-funded child care program, and the relevant contractors or subcontractors of those departments and agencies.

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(c) An agreement pursuant to this section may provide for binding arbitration of grievances concerning the interpretation, application, or violation of the agreement.

- (d) This article does not alter the requirements governing the child care reimbursement system that are set forth in Section 8222.
- 8436. (a) A certified provider organization shall have the right to enter into an agreement with the state that provides that the state will require entities that make subsidy payments to providers, including the contractors or subcontractors of state agencies and departments, to deduct membership dues and other voluntary deductions from those subsidy payments.
- (b) If the deduction of membership dues or other voluntary deductions for a provider requires action by more than one agency, department, contractor, or subcontractor, the certified provider organization shall establish procedures to ensure both of the following:
- (1) The total amount deducted does not exceed the total dues and other voluntary deductions owed by that provider.
- (2) The administrative procedures for deducting dues and other voluntary deductions are reasonable.
- (c) The state, its agencies and departments, and their contractors and subcontractors shall not be liable in any action by a provider seeking recovery of, or damage for, improper calculation or use of dues or other voluntary deductions.
- 8436.5. (a) It is unlawful for the state, including its agencies, boards, commissions, departments, public benefit corporations, political subdivisions, contractors, subcontractors, or employees, to do to providers or provider organizations any of the things made unlawful under Section 3519 of the Government Code.
- (b) It shall be unlawful for a provider organization to do to the state or to providers any of the things made unlawful under Section 3519.5 of the Government Code.
- (c) For purposes of subdivisions (a) and (b), the references in subdivision (e) of Section 3519 of, and subdivision (d) of Section 3519.5 of, the Government Code to "the mediation procedure set forth in Section 3518" shall be deemed to refer to the impasse procedures set forth in Section 8437.5.
- (d) The initial determination as to whether charges of unfair practices are justified and, if so, what remedy is necessary to

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effectuate the purposes of this article shall be a matter within the 2 exclusive jurisdiction of the board.

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8437. A provider organization shall not direct or call a strike. 8437.5. If after a reasonable period of time the parties fail to reach agreement, the parties may agree to submit unresolved issues to the California State Mediation and Conciliation Service established by the Department of Industrial Relations for mediation or binding arbitration, or either party may declare that an impasse has been reached and request the board to appoint a mediator or an arbitrator from the California State Mediation and Conciliation Service to perform mediation or binding arbitration. A memorandum of understanding reached by means of mediation or arbitration is subject to appropriation by the Legislature and necessary statutory and regulatory revisions.

8438. If orientations are held for providers by the state or any department, contractor, agency, or political subdivision of the state, a certified provider organization shall be permitted to make a brief presentation about the organization and its activities, its negotiations and memorandum of understanding, and membership at the orientation.

8438.5. It is the intent of the Legislature to create \_ additional slots in alternative payment voucher programs for children living in extreme poverty, defined as 50 percent of the federal poverty level, pending approval through the annual budget process.

8439. (a) The \_\_\_\_ shall perform a study of best practices for engaging families in their children's early care and education in family child care settings, and of federal and other funding streams that could support this work without reducing the availability and affordability of child care in California, and shall report to the Legislature and the Department of Finance, on or before January 1, 2017, with its findings and a proposed framework of priorities in which to invest. In performing the study, the \_\_\_\_\_ shall consult with stakeholders, including the Department of Social Services, First 5 California, and organizations that represent parents with young children, particularly lowerincome non-English-speaking families, to consider how best to engage and support those families in a culturally competent manner.

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(b) (1) A report submitted to the Legislature pursuant to this section shall be submitted in compliance with Section 9795 of the Government Code.

- (2) The requirement for submitting a report pursuant to this section shall become inoperative on January 1, 2021, pursuant to Section 10231.5 of the Government Code.
- 8439.5. (a) If a provider organization is certified pursuant to Section 8434, the state and the certified provider organization shall establish a training partnership that will consist of a Joint Committee on Child Care Training, Education, and Quality Improvement, made up of representatives of the certified provider organization and designees of the Governor. The provider organization shall establish a training program that shall carry out the recommendations of the committee.
- (b) The committee shall meet to identify gaps in the training available to family child care providers and issue recommendations to improve the quality of care offered by licensed and licensed-exempt family child care providers.
- (c) The committee shall play a coordinating role in ensuring that the training offered to providers through the training program meets the state's needs for the child care workforce; satisfies the health, safety, and educational standards prescribed by the state; aligns with the state's quality rating systems; and identifies and works to eliminate barriers to providers accessing training.
- (d) The committee's recommendations may include, but are not limited to: ways to access federal and private funding for training to expand capacity to existing state training resources, such as general education classes and English language learner classes; ways to support providers who seek to obtain higher education credentials in child development; ways for the training program to work with existing training providers and educational institutions, including, but not limited to, resource and referral networks, community colleges, and apprenticeship programs; and ways for the training program to make training and education available to child care and other workers employed by child care centers and schools.
- (e) It is the intent of the Legislature to allocate funds in the Budget Act of 2015, in the amount of one million dollars (\$1,000,000), to carry out the initial recommendations of the committee. It is the intent of the Legislature, that in subsequent

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- 1 years, the recommendations of the committee shall be funded by
- 2 contributions agreed to for that purpose in the memorandum of
- 3 understanding between the provider organization and the Governor,
- 4 through the Department of Human Resources, as specified in
- 5 Section 8435.5.